

## **Assistant Secretary Excerpts on Older Americans Act and Reauthorization From n4a Speech 8-9-06 Chicago, IL**

If you look at the broader policy environment we operate in, there is a fundamental change occurring in our nation's long-term care policy. Everything happening around us indicates that our society is finally awakening to the reality that we must rebalance and modernize our long-term care system to breakdown the barriers to community living. And, we must do it now.

As a nation, we can't afford this now, let alone in the future.

One estimate indicates that 19 million older individuals will need long-term support in the year 2050, compared to about 8 million today. Business as usual is no longer an option.

At the Federal level, the policy shift we are advancing in long-term care is being guided by the President's New Freedom Initiative – which calls for a greater emphasis on community-living and consumer-directed models of care.

Our public policy is finally recognizing that as a nation we can spend our long-term care dollars more wisely by expanding opportunities for community care and giving consumers more control over the types of care they receive.

“Money Follows the Person Initiative” in the DRA, CMS will invest \$1.75 billion in new funding for home community-based long-term care over the next five years, in an effort to transition people out of nursing homes. This is the single largest Federal investment in home and community based services in decades.

At the center of our Choices for Independence proposal are the elderly people we serve – our consumers.

First, it is about empowering consumers, and I mean all consumers who need long-term care, and not just those who are old, not just those who are vulnerable.

“Choices” is about providing people with reliable information and access to the care they need. Choices will help middle-aged people plan ahead for their long-term care and make better use of private financing options like long-term care insurance. Informed consumers will be better able to conserve and extend the use of their own resources on long-term care, and thereby delay or avoid altogether their spend-down to Medicaid.

Second, Choices is about consumer choice and direction, especially for those who are highest risk of losing their independence in the community. We believe in the notion that people know best what they need and who should provide it.

Third, Choices is about the quality of life of elderly people, and about building prevention into community care by empowering seniors to make life-style and behavior changes based on scientific evidence that can reduce their risk of disease and disability.

Choices, when viewed in conjunction with reforms occurring in Medicaid, will provide all of us with an unprecedented opportunity to redirect our system of care so that it will serve more people, and to do so in a manner that respects people's dignity and overwhelming desire to remain independent in their own homes and communities.

Choices will make competitive grants available to the states and closely evaluate state progress based on measurable performance standards that will allow us to document the impact of Choices on the health and well-being of older people, their family caregivers, and on health care costs, including Medicaid expenditures.

The Older Americans Act that we believe will be enacted soon will allow us to expand the reach of our services to more people, including those who can pay for their own care. It will be a vehicle that federal, state and local governments can use to advance system-wide changes in long-term care.

The Aging Network has played an important role in providing services to the most vulnerable, and we will continue to do so in the future. However, we can complement the CMS efforts [long-term care] by focusing on the non-Medicaid population.

Only 12% of the elderly are eligible for Medicaid at any one point in time, and our policy makers are now realizing that – if we are going to be successful in containing Medicaid costs – our efforts to reform long-term care must go beyond Medicaid

A large segment of the older population has resources they can use to get services at home. Currently, older people spend 50 Billion dollars each year in out-of-

pocket expenditures on long-term care. Almost half of these expenditures are used to pay for nursing home care. Providing people with information on lower-cost options and helping them to access those options can help people extend their ability to use their own resources more wisely for their own support at home.

By supporting Choices, Congress is recognizing our unique ability to help people to take more control of their long-term care, make better use of their own resources, and avoid unnecessary nursing home placement.

Choices will contribute greatly to the [transformation of long-term care] in this country -- a transformation that will occur one consumer at a time.

Older adults want to stay in their own homes and communities, they want more choices, and they want empowerment and the freedom to choose. This is the essence of what the Older Americans Act was created to do. This role is, and has always been, a noble and honorable one performed by some of the most dedicated people in this country.